

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

C

W-03510A
Circle City Water Company, L.L.C.
P. O. Box 82218
Bakersfield CA 933800000

RECEIVED

MAY 03 2005

AZ Corporation Commission
Director Of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
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FOR COMMISSION USE

ANN04	04
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COMPANY INFORMATION

Company Name (Business Name): Circle City Water Company, L.L.C.

Mailing Address: P.O. Box 82218
(Street)

Bakersfield
(City)

CA
(State)

93380
(Zip)

800-270-6084 or 661-633-7546
Telephone No. (Include Area Code)

800-748-6981
Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address: customerservice@scwater.com or mistiej@brookeutilities.com

Local Office Mailing Address: 9079 S. Riverside Drive

Parker
(City)

AZ
(State)

85344
(Zip)

928-667-3336

Local Office Telephone No. (Include Area Code)

928-667-2527

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

MANAGEMENT INFORMATION

Management Contact:

Robert T. Hardcastle
(Name)

Managing Member
(Title)

P.O. Box 82218
(Street)

Bakersfield
(City)

CA
(State)

93380
(Zip)

661-633-7526

Telephone No. (Include Area Code)

800-748-6981

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address: rth@brookeutilities.com

On Site Manager:

Gary Brown
(Name)

9079 Riverside Drive
(Street)

Parker
(City)

AZ
(State)

85344
(Zip)

928-667-3336

Telephone No. (Include Area Code)

928-667-2527

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address: customerservice@scwater.com

☐ Please mark this box if the above address(es) have changes or are updated since the last filing.

Statutory Agent: Robert T. Hardcastle
(Name)

P.O. Box 82218
(Street)

Bakersfield
(City)

CA
(State)

93380
(Zip)

66
Telephone No. (Include Area Code)

800-748-6981
Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Jay Shapiro w/ Fennmore Craig
(Name)

3003 N. Central Ave. Ste. 2600
(Street)

Phoenix
(City)

AZ
(State)

85012
(Zip)

602-916-5000
Telephone No. (Include Area Code)

602-916-5566
Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☒ Limited Liability Company

☐ Other (Describe)

COUNTIES SERVED

Check the box for the county/ies in which you are certified to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input checked="" type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME: CIRCLE CITY WATER LLC

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	7,928	-	7,928
304	Structures and Improvements	28,011	11,186	16,825
307	Wells and Springs			
311	Pumping Equipment	13,842	8,978	4,864
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	33,133	16,846	16,287
333	Services			
334	Meters and Meter Installations	15,920	4,093	11,827
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	569	26	543
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	99,403	41,129	58,274

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME: CIRCLE CITY WATER LLC

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	7,928	0.00%	-
304	Structures and Improvements	28,011	4.08%	1,142
307	Wells and Springs			
311	Pumping Equipment	13,842	14.06%	1,946
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	33,133	5.05%	1,672
333	Services			
334	Meters and Meter Installations	15,920	3.85%	613
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	569	2.46%	14
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	99,403	5.42%	5,387

This amount goes on Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME: CIRCLE CITY WATER LLC

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash		
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	3,776	3,412
146	Notes/Receivables from Associated Company		
151	Plant Materials and Supplies		
162	Prepayments	62,912	55,048
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 66,688	\$ 58,460
	FIXED ASSETS		
101	Utility Plant in Service	\$ 97,433	\$ 99,403
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	(35,742)	(41,129)
121	Not-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 61,691	\$ 58,274
	DEFERRED INCOME TAX DEBITS		
	TOTAL ASSETS	\$ 128,379	\$ 116,734

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME: CIRCLE CITY WATER LLC

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 2,209	\$ 2,106
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Company	2,224,977	2,357,405
235	Customer Deposits	3,870	2,820
236	Accrued Taxes	2,031	1,985
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 2,233,086	\$ 2,364,317
	LONG-TERM DEBT (Over 12 Months)		
224	Long-term Notes and Bonds	\$ -	\$ -
	Deferred Credits		
251	Unamortized Premium on Debt		
	Refundable Meter Advances	\$ 3,986	\$ 4,120
252	Advances in Aid of Construction	13,368	13,321
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	6,004	6,004
272	Less: Amortization of Contributions	(4,403)	(5,003)
281	Accumulated Deferred Income Taxes		
	TOTAL DEFERRED CREDITS	\$ 18,956	\$ 18,442
	TOTAL LIABILITIES	\$ 2,252,041	\$ 2,382,759
	CAPITAL ACCOUNTS		
201	Common Stock Issued		
211	Paid In Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props & Partnerships)	(2,123,662)	(2,266,025)
	TOTAL CAPITAL	\$ (2,123,662)	\$ (2,266,025)
	TOTAL LIABILITIES AND CAPITAL	\$ 128,379	\$ 116,734

COMPANY NAME: CIRCLE CITY WATER LLC

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 65,346	\$ 66,372
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 65,346	\$ 66,372
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 5,321	\$ 5,796
610	Purchased Water	157,280	125,824
615	Purchased Power	9,845	8,765
618	Chemicals		
620	Repairs & Maintenance		
621	Office Supplies and Expense		
630	Outside Services	23,822	41,655
635	Water Testing	1,114	1,163
641	Rents		
650	Transportation Expenses	1,870	5,940
657	Insurance - General Liability		
659	Insurance - Health and Life	1,061	1,109
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	4,965	5,227
403	Depreciation Expense	5,880	5,387
408	Taxes Other Than Income	3,962	4,010
408.11	Property Taxes	3,500	3,426
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 218,620	\$ 208,301
	OPERATING INCOME/(LOSS)	\$ (153,274)	\$ (141,929)
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(99)	(433)
	TOTAL OTHER INCOME/EXPENSE	\$ (99)	\$ (433)
	NET INCOME/(LOSS)	\$ (153,373)	\$ (142,362)

COMPANY NAME

Circle City Water Company LLC

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 4,120

Meter Deposits Refunded During the Test Year

\$ 1,266

COMPANY NAME: Circle City Water Co., L.L.C.

WATER COMPANY PLANT DESCRIPTION
WELLS

ADWR ID NUMBER*	PUMP HORSEPOWER	PUMP YIELD (GPM)	CASING DEPTH (FEET)	CASING DIAMETER (INCHES)	METER SIZE (INCHES)	YEAR DRILLED
55-625088	5	110	787	16	3	1960

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	2	None	None

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
50,000 gallons	1	5,000 gallons	1

Company Name: Circle City Water Co., L.L.C.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	ACP	600'
3		
4	ACP/PVC	3,050'
5		
6	ACP/PVC	8,400
8	PVC	1,000
10		
12		
1 ½"	PVC	700'

CUSTOMER METERS

Size (in inches)	Quantity
5/8 x ¾"	167
¾	
1	1
1 ½	
2	1
COMP. 3	
TURBO 3	
COMP. 4	
TUBO 4	
COMP. 6	
TUBO 6	
Total	169

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

1 panel with tin roof, welded steel construction w/ 2-6" cemented legs
7' x 7' concrete well slab

OTHER:

COMPANY NAME: Circle City Water Co., L.L.C.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004
PWS Number 07-112

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
January	167	1,406	1,469
February	168	1,221	1,709
March	168	1,067	1,174
April	169	1,554	1,669
May	169	1,631	1,781
June	170	1,851	2,013
July	167	2,003	2,657
August	167	2,490	3,185
September	167	1,827	1,950
October	167	2,252	2,420
November	167	1,388	1,526
December	167	1,145	1,256
Total		19,835	22,809

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(x) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (x) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system 0.0030 mg/L
(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Circle City Water Company LLC YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 3,462.76

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

DO NOT WRITE, STAMP OR SIGN BEYOND THIS LINE.

Circle City Water Company, L.L.C.
P.O. Box 82218
Bakersfield, CA 93380-2218

BANK OF AMERICA
1440 TRUXTON AVENUE
BAKERSFIELD, CA 93301

06882

CHECK NO.

16-66
1220

***** One Thousand Seven Hundred Twelve and 95/100 *****

DATE

AMOUNT

Oct 6 04

\$1,712.95

PAY
TO THE
ORDER
OF

MARICOPA COUNTY TREASURER
DOUG TODD
P.O. BOX 78574
PHOENIX, AZ 85062-8574

⑈006882⑈ ⑆122000661⑆ 14764⑈01495⑈

⑈0000171295⑈

101904 293 010 085 085 1 64037506 7 0549101904
10/20/04 LA CA
122000661 06
E5696 S30 000000000000
5460214084

BANK ONE, NA
⑈1119013314⑈
10192004
5640704544

CREDIT TO ACCT OF
NAMED PAYEE WITH-
OUT PREJUDICE
ABSENCE OF ENDORSE-
MENT GUARANTEED BY
BANK ONE, NA

COMPANY NAME Circle City Water Company LLC YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported <142,628>
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported <142,962>
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4-29-05
DATE

Robert T. Hardcastle
PRINTED NAME

Managing Member
TITLE

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

MAY 13 2005

VERIFICATION

STATE OF California

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)

Kern

NAME (OWNER OR OFFICIAL) TITLE

Robert T. Hardcastle **Managing Member**

COMPANY NAME

Circle City Water Company L.L.C

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION
COMMISSION**

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS,
PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY
EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND
CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE
PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY
MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE,
INFORMATION AND BELIEF.**

SWORN STATEMENT

**IN ACCORDANCE WITH THE REQUIREMENT OF TITLE, 40, ARTICLE 8,
SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT
THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM
ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004
WAS:**

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 66,372

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 4,010
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL.)**

SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

Telephone Number : 661-633-7826

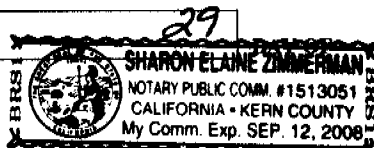
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME

Kern

THIS

(SEAL)



MY COMMISSION EXPIRES

9-12-08

MONTH **April**

2005

Sharon Elaine Zimmerman
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED

MAY 13 2005

AZ Corporation Commission
Director Of Utilities

VERIFICATION

STATE OF California

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Kern	
NAME (OWNER OR OFFICIAL) Robert T. Hardcastle	TITLE Managing Member
COMPANY NAME Circle City Water Company L.L.C	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE, 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only

\$ 59,869

(THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 3,711

IN SALES TAXES BILLED, OR COLLECTED)

*** RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED**

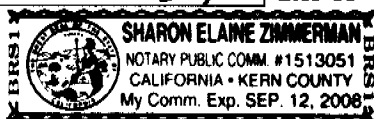

SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 29 **DAY OF**

(SEAL)



MY COMMISSION EXPIRES

9-12-08

NOTARY PUBLIC NAME Sharon Elaine Zimmerman

COUNTY NAME Kern

MONTH April

2005

x Sharon Elaine Zimmerman
SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

CIRCLE CITY WATER COMPANY 2004

Balance Sheet

Dec 31 04

Unaudited

ASSETS

	2004	2003
	-----	-----
Fixed Assets:		
Utility Plant in Service	97,433.07	96,863.57
Accum Depre Util Plt in Servic	(41,129.00)	(35,742.00)
	-----	-----
Total Fixed Assets	56,304.07	61,121.57
Plant Accounts:		
Transmission&Dist. Mains	1,970.00	0.00
Communication Equipment	0.00	569.50
	-----	-----
Total Plant Accounts	1,970.00	569.50
Current Assets:		
Customer Accounts Receivable	3,412.21	3,776.12
Prepayments	55,048.00	62,912.00
	-----	-----
Total Current Assets	58,460.21	66,688.12
	-----	-----
TOTAL ASSETS	116,734.28	128,379.19
	=====	=====

CIRCLE CITY WATER COMPANY 2004
Dec 31 04
LIABILITIES AND SHAREHOLDERS' EQUITY

	2004	2003
	-----	-----
Long Term Liabilities:		
Advances for Construction	13,321.36	13,368.01
Refundable Meter Advances	4,120.15	3,986.40
Contri. In Aid of Construction	6,003.73	6,003.73
Accum.Amortiz. Contri. in Ai	(5,003.00)	(4,402.64)
	-----	-----
Total Long Term Liabilities	18,442.24	18,955.50
Current Liabilities:		
Accounts Payable	2,105.86	2,208.54
Accounts Payable to Assoc Co	2,357,405.43	2,224,976.55
Customer Deposits	2,820.00	3,870.00
Accrued State Sales Taxes	272.49	281.09
Accrued Property Taxes	1,712.95	1,749.81
	-----	-----
Total Current Liabilities	2,364,316.73	2,233,085.99
Shareholders' equity:		
Retained Earnings	0.00	153,372.81
Members Capital	(2,123,662.30)	(1,970,289.49)
Profit (loss) for period	(142,362.39)	0.00
	-----	-----
Total shareholders' equity	(2,266,024.69)	(2,123,662.30)
	-----	-----
TOTAL LIABILITY & SHAREHOLER'S EQUITY	116,734.28	128,379.19
	=====	=====

	LAST YEAR	LAST YTD	CURRENT YTD	DEC	NOV	OCT	SEP
OPERATING REVENUE:							
Metered Sales - resi	57,849.01	57,849.01	60,146.28	4,116.44	4,590.15	6,321.64	5,462.54
Metered Sales - comm	6,777.24	6,777.24	5,045.66	329.03	313.59	432.98	396.90
Establishment Charge	720.00	720.00	1,180.00	75.00	50.00	50.00	75.00
TOTAL OPERATING R	65,346.25	65,346.25	66,371.94	4,520.47	4,953.74	6,804.62	5,934.44
OPERATING EXPENSES:							
SOURCE OF SUPPLY:							
OPERATIONS:							
Purchased power	9,845.48	9,845.48	8,765.11	696.31	807.29	1,044.20	883.41
Contractual servi	2,328.00	2,328.00	0.00	0.00	0.00	0.00	0.00
SUBTOTAL	12,173.48	12,173.48	8,765.11	696.31	807.29	1,044.20	883.41
MAINTENANCE:							
SUBTOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL SOURCE O	12,173.48	12,173.48	8,765.11	696.31	807.29	1,044.20	883.41

CIRCLE CITY WATER COMPANY 2004
 UNAUDITED STATEMENT OF INCOME
 12 PERIODS ENDED Dec 31 04
 Consolidated Departments

page 2

	LAST YEAR	LAST YTD	CURRENT YTD	DEC	NOV	OCT	SEP
(continued)							
WATER TREATMENT:							
OPERATIONS:							
Regulatory Water	500.00	500.00	1,162.76	0.00	0.00	847.76	0.00
SUBTOTAL	500.00	500.00	1,162.76	0.00	0.00	847.76	0.00
MAINTENANCE:							
Regulatory Water	614.32	614.32	0.00	0.00	0.00	0.00	0.00
SUBTOTAL	614.32	614.32	0.00	0.00	0.00	0.00	0.00
TOTAL WATER TR	1,114.32	1,114.32	1,162.76	0.00	0.00	847.76	0.00
TRANSMISSION & DISTRIBUTION:							
OPERATIONS:							
SUBTOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MAINTENANCE:							
Materials & suppl	0.00	0.00	37.59	0.00	0.00	0.00	0.00
SUBTOTAL	0.00	0.00	37.59	0.00	0.00	0.00	0.00
TOTAL TRANSMIS	0.00	0.00	37.59	0.00	0.00	0.00	0.00
CUSTOMER ACCOUNTS:							
OPERATIONS :							
Sal. & Wages - em	243.24	243.24	0.00	0.00	0.00	0.00	0.00
TOTAL CUSTOMER	243.24	243.24	0.00	0.00	0.00	0.00	0.00

CIRCLE CITY WATER COMPANY 2004
UNAUDITED STATEMENT OF INCOME
12 PERIODS ENDED Dec 31 04
Consolidated Departments

page 3

	LAST YEAR	LAST YTD	CURRENT YTD	DEC	NOV	OCT	SEP
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(continued)							
ADMINISTRATIVE & GENERAL:							
OPERATIONS:							
Sal. & Wages- emp	4,547.36	4,547.36	5,795.95	1,519.69	328.58	366.58	288.52
Employee pensions	530.27	530.27	0.00	0.00	0.00	0.00	0.00
Contract Serv.-Ac	4,028.43	4,028.43	4,393.81	392.98	384.44	389.87	392.95
Contractual serv.	202.00	202.00	16,684.98	1,821.43	6,196.20	5,432.75	2,277.10
Contractual serv.	17,263.59	17,263.59	20,215.60	1,712.88	1,340.00	1,481.38	2,936.75
Contractual serv.	0.00	0.00	360.35	280.00	0.00	0.00	0.00
Overhead allocati	4,034.65	4,034.65	4,728.16	392.44	448.96	428.35	355.25
Transportation ex	1,870.00	1,870.00	5,940.00	0.00	0.00	0.00	0.00
Ins. - wrkmn's co	200.28	200.28	215.16	31.94	13.58	25.25	14.66
Ins. -medical/den	1,060.56	1,060.56	1,109.03	87.88	87.88	94.41	96.13
Regulatory comm.	64.66	64.66	185.76	0.00	0.00	0.00	0.00
Communications	73.82	73.82	0.00	0.00	0.00	0.00	0.00
Dues & Subscripti	0.00	0.00	140.40	0.00	0.00	0.00	0.00
Bad Debt Expense	586.44	586.44	0.00	0.00	0.00	0.00	0.00
Misc. expenses	205.35	205.35	20.00	0.00	0.00	0.00	20.00
Licenses & Permit	400.00	400.00	500.00	0.00	0.00	0.00	500.00
State Sales Tax	3,962.10	3,962.10	4,010.13	272.49	302.03	411.02	358.31
Property taxes	3,499.62	3,499.62	3,425.90	230.16	285.49	285.49	291.64
TOTAL ADMINIST	42,529.13	42,529.13	67,725.23	6,741.89	9,387.16	8,915.10	7,531.31
TOTAL OPERATIONS	55,445.85	55,445.85	77,653.10	7,438.20	10,194.45	10,807.06	8,414.72
TOTAL MAINTENANCE	614.32	614.32	37.59	0.00	0.00	0.00	0.00
TOTAL OPERATIONS & M	56,060.17	56,060.17	77,690.69	7,438.20	10,194.45	10,807.06	8,414.72
PROVISION FOR DEPREC	5,279.64	5,279.64	4,786.64	661.97	374.97	374.97	374.97
INCOME (LOSS) FROM OPE	4,006.44	4,006.44	(16,105.39)	(3,579.70)	(5,615.68)	(4,377.41)	(2,855.25)
OTHER INCOME <EXPENSE>:							
Interest	(99.25)	(99.25)	(433.00)	(22.50)	(6.50)	(10.75)	(2.50)
CAWCD water costs	(157,280.00)	(157,280.00)	(125,824.00)	(10,485.35)	(10,485.33)	(10,485.33)	(10,485.33)
TOTAL OTHER INCOME <	(157,379.25)	(157,379.25)	(126,257.00)	(10,507.85)	(10,491.83)	(10,496.08)	(10,487.83)
NET INCOME (LOSS)	(153,372.81)	(153,372.81)	(142,362.39)	(14,087.55)	(16,107.51)	(14,873.49)	(13,343.08)